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US DOCOSOUTH FOR INTAF

SHAPEUSNR FOR POLAD

E.O. 11652: GDS

TAGS: PINT, IT

SUBJECT: ANDREOTTI PROMOTES IMAGE OF SERVICE AND HARD WORK

SUMMARY: ANDREOTTI HAS MADE A BRISK, ENERGETIC START IN ORGANIZING HIS GOVERNMENT, PORTRAYING AN IMAGE OF HARD WORK AND SERIOUSNESS IN CONFRONTING THE COUNTRY'S PRESSING ECONOMIC AND SOCIAL PROBLEMS.

WHILE IT REMAINS TO BE SEEN WHETHER HE CAN PUSH THROUGH AN EFFECTIVE PROGRAM, A SIGNIFICANT NEW ELEMENT IS THE FACT THAT THE COMMUNISTS (IN DECIDING TO SUPPORT ANDREOTTI BY ABSTAINING) WILL NOW BE REQUIRED TO SUPPORT AUSTERITY LEGISLATION THAT WILL FALL MOST

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SHARPLY ON THE PARTYS WORKER CONSTITUENCY. END SUMMARY.

1. FROM ITS VERY INCEPTION, THE ANDREOTTI GOVERNMENT HAS SOUGHT TO PROJECT AN IMAGE OF DEDICATION, ENERGY AND SERIOUSNESS IN CONFRONTING THE WIDE RANGE OF SOCIAL AND ECONOMIC PROBLEMS FACING IT. THE NEW PRIME MINISTER HAS OFTEN STRESSED THE "WORK" AND "SERVICE" NATURE OF HIS GOVERNMENT. ANDREOTTI'S PROGRAM CONCENTRATES ALMOST EXCLUSIVELY ON ECONOMIC AND SOCIAL PROBLEMS, AND THE NEED TO DEAL WITH THEM PROMPTLY AND EFFECTIVELY. IN A MAJOR DEPARTURE FROM PREVIOUS PRACTICE, ANDREOTTI OUTLINED A FAIRLY PRECISE SCHEDULE FOR PRESENTING DRAFT LEGISLATION TO PARLIAMENT ON A WIDE RANGE OF ACUTE PROBLEMS.

2. THE NEW GOVERNMENT'S BUSINESSLIKE APPEARANCE WAS REINFORCED BY THE NOMINATION OF TECHNICIANS SUCH AS STAMMATI AND OSSOLA FOR KEY ECONOMIC MINISTRIES. EARLY ON, ANDREOTTI ANNOUNCED THAT THE COUNCIL OF MINISTERS WOULD HENCEFORTH MEET REGULARLY EACH WEDNESDAY TO KEEP THE LEGISLATIVE PROGRAM ON SCHEDULE. IN ANOTHER INNOVATION, ANDREOTTI ANNOUNCED THE HOLDING OF MONTHLY PRESS CONFERENCES.

3. ANDREOTTI CONTINUES TO PROVIDE AN IMAGE OF DEDICATION AND ENERGY. AFTER ONLY A BRIEF WEEK'S REST IN AUSTRIA, THE PRIME MINISTER RETURNED TO ROME TO ATTEND THE AUGUST 19 MEMORIAL MASS FOR DE GASPARI. WHILE OTHER POLITICAL LEADERS (OF ALL PARTIES) REMAIN ON VACATION, ANDREOTTI DECIDED TO STAY IN ROME TO WORK ON THE LEGISLATIVE PROGRAM. A MEETING WITH HIS BUDGET AND TREASURY MINISTERS WAS ANNOUNCED FOR AUGUST 24 TO WORK ON THE ECONOMIC PLANNING BLUEPRINT TO BE PRESENTED TO PARLIAMENT BY THE END OF SEPTEMBER.

4. CUTTING SHORT THE DELAYED HOLIDAY PERIOD, GOVERNMENT ACTIVITIES WILL RESUME IN FULL AFTER SEPTEMBER 1 IN PREPARATION FOR THE FIRST CABINET MEETING ON SEPTEMBER 7. THE FIRST INTERMINISTERIAL ECONOMIC PLANNING COMMITTEE WILL MEET ON SEPTEMBER 10.

5. IN ADDITION TO THESE OUTWARD SIGNS OF ACTIVITY, A SIGNIFICANT EDITORIAL AUGUST 18 IN THE DC'S ORFAN, IL POPOLO, CALLS FOR A PROGRAM OF AUSTERITY AND PUBLIC MORALITY WHICH UNDOUBTEDLY WILL BE ECHOED BY ANDREOTTI'S GOVERNMENT IN COMING WEEKS. ENTITLED "A POLICY OF SACRIFICES," THE EDITORIAL ARGUES FOR A HARD-CUTTING PROGRAM WHICH WILL TOLERATE NEITHER ABUSES NOR SPECIAL PRIVILEGES.

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IN PARTICULAR, IT CALLS FOR SERIOUS ACTION AGAINST TAX EVADERS AND CURRENCY VIOLATORS AS WELL AS THE FREEZING OF HIGHER INCOME SALARIES. ON THE OTHER HAND, EVERYONE WILL BE ASKED TO MAKE SACRIFICES, NOT JUST THE ECONOMICALLY ADVANTAGES. THUS, GOVERNMENT SPENDING IS TO BE REDUCED, WORKER ABSENTEEISM COMBATTED, AND EXCESSIVE UNION DEMANDS CURBED. AUSTERITY AND SACRIFICE APPLY ACROSS THE BOARD.

6. 6. COMMENT: AN AUSTERITY PROGRAM, ACCENTED WITH A STRONG

DOES OF MORALISM AGAINST SOCIAL AND ECONOMIC INEQUITIES AND INJUSTICES,

IS CLEARLY RESPONSIVE TO POPULAR DEMANDS ACROSS THE ENTIRE POLITICAL SPECTRUM. THE ISSUE OF TAX ABUSE AND SPECIAL PRIVILEGES IS CERTAINLY NOT THE EXCLUSIVE PRESERVE OF THE PCI, OR EVEN THE LEFT GENERALLY. THERE IS WIDESPREAD SUPPORT FOR DECISIVE ACTION AGAINST SUCH ABUSES, AND TO THE EXTENT THAT ANDREOTTI'S PROGRAMS ARE EFFECTIVE, THE DC SHOULD BENEFIT. IN FACT, IT IS THE COMMUNISTS WHO WILL FIND MANY ASPECTS OF ANDREOTTI'S AUSTERITY PROGRAM--WITH WHICH THEY ARE NOW TO A SIGNIFICANT EXTENT ASSOCIATED--THE MOST DIFFICULT TO SWALLOW. NOW THAT THE PCI HAS DECIDED TO SUPPORT THE ADREOTTI GOVERNMENT BY ABSTAINING (STATING PUBLICLY THAT IT HAS DONE SO TO PREVENT CHAOS), IT WILL HAVE TO COOPERATE IN PASSING PROGRAMS THAT WILL BE UNPOPULAR WITH THE PARTY'S NATURAL CONSTITUENCY

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THE INDUSTRIAL WORKER. AT THIS POINT, NOT TO DO SO WILL CAST THEM IN A SPOILER'S ROLE. WHILE THE EMPHASIS ON PUBLIC MORALITY WILL BE USEFUL IN DEMONSTRATING THAT THE WELL-TO-DO ARE ALSO BEING HIT, THE CUTTING EDGE OF AN AUSTERITY PROGRAM CAN BE EXPECTED TO FALL MOST SHARPLY ON SUCH TRADE UNION ISSUES AS WAGE CONTROL AND WORKER ABSENTEEISM. IT WILL BE INTERESTING TO SEE HOW THE PCI RATIONALIZES ITS SUPPORT FOR SUCH MEASURES NOW THAT IT HAS ACCEPTED A SHARE IN THE RESPONSIBILITY (INDEED, THEY CROW, THE DETERMINING ROLE) FOR ENACTING THE GOVERNMENT'S PROGRAM.

7. ANDREOTTI'S TASK WILL ALSO BE TO PRESENT A PROGRAM THAT CAN BE SUPPORTED BY THE COMMUNISTS WITHOUT LOSING ITS IDENTITY AS A DC INITIATIVE IN THE EYES OF THE ELCTORATE. THE PCI CAN BE EXPECTED TO DO ITS BEST (WITH THE AID OF THE LEFT-DOMINATED PRESS) TO PORTRAY POPULAR ANDREOTTI MEASURES AS THEIR OWN--PROPOSED, FORMULATED AND PASSED ONLY AS THE RESULT OF THEIR NEW "DETERMINING" POSITION IN PARLIAMENT.

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8. THE GOVERNMENT CLEARLY REALIZES THAT A DECISIVE AND EFFECTIVE ECONOMIC AND SOCIAL PROGRAM IS NOT ONLY DEMANDED BY THE PRESENT CRISIS, BUT IS ALSO POLITICALLY INDISPENSABLE FOR THE FUTURE OF THE DC. MANY DC POLITICIANS HAVE MADE THE POINT TO US THAT THE VOTERS GAVE THE DC ONE LAST CHANGE IN JUNE TO SHOW THAT IT CAN PROVIDE A GOVERNMENT CAPABLE OF RESOLVING ITALY'S PRESSING NEEDS. WHILE ANDREOTTI HAS MADE AN EXCELLENT START IN DEMONSTRATING ENERGY AND DEDICATION, IT REMAINS TO BE SEEN WHETHER HE WILL BE ABLE TO GET HIS PROGRAM THROUGH. IN ADDITION, THE SOCIALISTS AND LAY PARTIES WILL ALSO KEEP DC PERFORMANCE UNDER CLOSE SCRUTINY OVER THE COMING MONTHS. THEY HAVE LONG CRITICIZED THE DC FOR ITS FAILURE IN THE PAST TO DEVELOP A STRONG, CREDIBLE PROGRAM, ONE OF THE REASONS THEY CITE FOR THEIR REFUSAL TO PARTICIPATE NOW IN A DC COALITION. THE DC'S PERFORMANCE WILL THEREFORE BE A CRUCIAL FACTOR IN DETERMINING WHETHER THE PSI AND LAY PARTIES CAN BE CON-

VINCE TO ENTER INTO A NEW GOVERNMENT PARTNERSHIP WITH THE DC
IN THE FUTURE. BEAUDRY

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